

Presentment Date: January 19, 2017 at 12:00 p.m. (Eastern Time)
Objection Deadline: January 18, 2017 at 4:00 p.m. (Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
)	Chapter 11
)	
In re:)	
SUNEDISON, INC., <i>et al.</i> ,)	Case No. 16-10992 (SMB)
)	
Debtors.)	(Jointly Administered)
)	

**NOTICE OF PRESENTMENT OF STIPULATION AND PROPOSED ORDER
PERMITTING INSURERS TO PAY THE APPALOOSA SETTLEMENT
AMOUNT IN ACCORDANCE WITH THE TERMS OF
THE DIRECTORS' AND OFFICERS' INSURANCE POLICIES**

PLEASE TAKE NOTICE that the Yieldcos¹, by and through their counsel, will present the Stipulation and Proposed Order Permitting Insurers to Pay the Appaloosa Settlement Amount in Accordance with the Terms of the Directors' and Officers' Insurance Policies (the "Stipulation and Proposed Order"), attached hereto as Exhibit 1, to the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, for signature on **January 19, 2017, at 12:00 p.m. (Eastern Time)**.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Stipulation and Proposed Order (as defined below).

PLEASE TAKE FURTHER NOTICE that unless a written objection to the Stipulation and Proposed Order, with proof of service, is served and filed with the Clerk of the Court, and a courtesy copy is delivered to the undersigned counsel and to the chambers of the Honorable Stuart M. Bernstein **so as to be received by January 18, 2017 at 4:00 p.m. (Eastern Time)**, there will not be a hearing and the Stipulation and Proposed Order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed and served, the Court will notify the Yieldcos and the objecting parties of the date and time of the hearing. The objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in entry of the Stipulation and Proposed Order as requested by the Yieldcos without further notice.

PLEASE TAKE FURTHER NOTICE that on December 19, 2016, the Court of Chancery of the State of Delaware entered a Final Order and Judgment (the “Final Order and Judgment”)² approving a Stipulation of Settlement and Compromise, by and between TerraForm Power, Inc. (“TERP”), individual defendants Peter Blackmore, Christopher Compton, Jack F. Jenkins-Stark, Steven Tesoriere, Ahmad Chatila, Martin Truong, Brian Wuebbels, and Appaloosa Investment Limited Partnership I (derivatively on behalf of TERP) (“Appaloosa”), to resolve the action captioned *In re TerraForm Power, Inc. Derivative Litigation*, C.A. No. 11898-CB.

PLEASE TAKE FURTHER NOTICE that pursuant to the Final Order and Judgment, Appaloosa was awarded attorneys’ fees, costs and expenses in the aggregate sum of \$3,000,000 (the “Appaloosa Settlement Amount”), to be paid by TERP and/or its Insurers.

² See *In re TerraForm Power, Inc. Derivative Litigation*, C.A. No. 11898-CB (Del. Ch. Dec. 19, 2016) [Docket No. 474].

PLEASE TAKE FURTHER NOTICE that, as memorialized in the Stipulation and Proposed Order, the Appaloosa Settlement Amount is to be paid by the applicable Insurer out of the \$12 million Interim Cap Amount previously authorized by this Court's prior Order Granting Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105 and 362, Bankruptcy Rule 4001, and Local Bankruptcy Rule 4001-1 Authorizing Modification of the Automatic Stay, to the Extent Applicable, to Allow for Reimbursement and/or Payment of Defense Costs Under Directors' and Officers' Insurance Policies [Docket No. 367]. The applicable Insurer is prepared to pay the Appaloosa Settlement Amount in accordance with the terms of the D&O Policies, but for the avoidance of doubt and out of an abundance of caution has required entry of the Stipulation and Proposed Order prior to payment. The Official Committee of Unsecured Creditors has reviewed the Stipulation and Proposed Order and has no objection to its entry.

Dated: January 12, 2017
New York, New York

/s/ Andrew G. Dietderich

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*Counsel for TerraForm Power, Inc. and
TerraForm Global, Inc.*

EXHIBIT 1

Stipulation and Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SUNEDISON, INC., *et al.*,

Debtors.

)
) Chapter 11
)

) Case No. 14-10992 (SMB)
)

) (Jointly Administered)
)
)

**STIPULATION AND PROPOSED ORDER PERMITTING INSURERS TO PAY THE
APPALOOSA SETTLEMENT AMOUNT IN ACCORDANCE WITH THE TERMS OF
THE DIRECTORS' AND OFFICERS' INSURANCE POLICIES**

WHEREAS, on May 20, 2016, this Court issued its Order Granting Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105 and 362, Bankruptcy Rule 4001, and Local Bankruptcy Rule 4001-1 Authorizing Modification of the Automatic Stay, to the Extent Applicable, to Allow for Reimbursement and/or Payment of Defense Costs Under Directors' and Officers' Insurance Policies [Docket No. 367] (the "Reimbursement Order");

WHEREAS, the Reimbursement Order modified the automatic stay, to the extent applicable, to permit the Insurers¹ to pay and/or reimburse up to \$12 million in Defense Costs (the "Interim Cap Amount") in accordance with the terms of the D&O Policies, incurred in connection with claims asserted against TerraForm Power, Inc. ("TERP") and TerraForm Global, Inc. ("GLBL," and together with TERP, the "Yieldcos") and the Yieldcos' current and former directors and officers (collectively, the "Insured Persons");

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Reimbursement Order or the Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105 and 362, Bankruptcy Rule 4001, and Local Bankruptcy Rule 4001-1 Authorizing Modification of the Automatic Stay, to the Extent Applicable, to Allow for Reimbursement and/or Payment of Defense Costs Under Directors' and Officers' Insurance Policies [Docket No. 32], as applicable.

WHEREAS, the Defense Costs authorized for payment and reimbursement by the Reimbursement Order include “defense and/or indemnification costs and fees that they have incurred or will incur in the defense of the Pending Actions (collectively, and together with the defense and/or indemnification costs and fees incurred in connection with any matters, investigations, or actions filed or initiated postpetition against the Insured Persons)”;

WHEREAS, on September 27, 2016, TERP, individual defendants Peter Blackmore, Christopher Compton, Jack F. Jenkins-Stark, Steven Tesoriere, Ahmad Chatila, Martin Truong, Brian Wuebbels, and Appaloosa Investment Limited Partnership I (derivatively on behalf of TERP) (“Appaloosa”), entered into a Stipulation of Settlement and Compromise (the “Appaloosa Settlement Agreement”) to resolve the action captioned *In re TerraForm Power, Inc. Derivative Litigation*, C.A. No. 11898-CB (the “Appaloosa Derivative Action”) that is pending in the Court of Chancery of the State of Delaware (the “Chancery Court”);

WHEREAS, the Appaloosa Settlement Agreement, among other things, permitted Appaloosa and its counsel to apply for an award of attorneys’ fees and expenses incurred in connection with the Appaloosa Derivative Action in an amount not exceeding \$3,000,000 with any such amount to be paid by TERP and/or its insurers;

WHEREAS, on December 19, 2016, the Chancery Court held a hearing to consider the Appaloosa Settlement Agreement and Appaloosa’s request for an award of attorneys’ fees and expenses, which the Chancery Court awarded in the amount of \$3,000,000 (the “Appaloosa Settlement Amount”);

WHEREAS, the Debtors and the Yieldcos disagree about whether the Reimbursement Order permits the payment of settlements otherwise payable under the D&O Policies without further order of the Court; and

WHEREAS, the Debtors and the Yieldcos have agreed that the applicable Insurer shall pay the Appaloosa Settlement Amount pursuant to the terms of the D&O Policies as set forth herein.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND ORDERED that:

1. The automatic stay imposed by Bankruptcy Code section 362, to the extent applicable, is hereby modified to permit payment of the Appaloosa Settlement Amount. The applicable Insurer is authorized to pay the Appaloosa Settlement Amount as approved by the Chancery Court, in accordance with the terms of the D&O Policies, but only to the extent that the Insurer's payment of the Appaloosa Settlement Amount, which shall be included in the calculation of Defense Costs paid pursuant to the Interim Cap Amount, does not cause the payments made by the Insurers to exceed the Interim Cap Amount.

2. The entry of this Stipulation and Order is without prejudice to the rights and arguments of the Debtors and the Yieldcos, which are expressly reserved, as to whether the Reimbursement Order permits the payment of other settlements otherwise payable under the D&O Policies without further order of the Court.

3. Nothing in this Stipulation and Order shall affect, amend, impair, prejudice or otherwise alter (i) the terms and conditions of the D&O Policies; (ii) the Court's prior Reimbursement Order or any rights and obligations set forth therein; or (iii) any property interest of any insureds under the D&O Policies and/or the proceeds of the D&O Policies.

4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation or enforcement of this Stipulation and Order.

Dated: New York, New York
December 27, 2016

**SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP**

SULLIVAN & CROMWELL LLP

BY: /s/ Anthony W. Clark
Anthony W. Clark

BY: /s/ Brian D. Glueckstein
Brian D. Glueckstein

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*On Behalf of the Debtors
and Debtors in Possession*

*On Behalf of TerraForm Power, Inc.
and TerraForm Global, Inc.*

SO ORDERED:

January __, 2017

The Honorable Stuart M. Bernstein
UNITED STATES BANKRUPTCY JUDGE